California Commission
on
Health and Safety and Workers' Compensation

MINUTES OF MEETING

Meeting Day and Date: Thursday, May 11, 1995

Meeting Location: State Building
455 Golden Gate Avenue
First Floor Auditorium, Room 1194
San Francisco, California

Commission Members present:

Chairman Robert B. Steinberg
Commissioner Leonard McLeod
Commissioner Gerald O'Hara
Commissioner Tom Rankin
Commissioner Gregory Vach

Commission Members absent:

Commissioner James Hlawek
Commissioner Kristen Schwenkmeyer

Special Note:
One Commissioner position is currently vacant.
Jim R. Green resigned from the Commission effective March 23, 1995.

Commission staff:

Christine Baker, Executive Officer of the Commission

Department of Industrial Relations representatives:

Michael M. Bronshvag, M.D., Member, Industrial Medical Council
Susan McKenzie, M.D., Executive Medical Director, Industrial Medical Council
Linda Rudolph, M.D., Medical Director, Division of Workers' Compensation

Welcome and Announcements

The meeting was called to order at 10:05 AM by Chairman Robert B. Steinberg.

Adoption of Minutes

Chairman Steinberg asked for a motion regarding the minutes of the Commission meeting on March 9, 1995, which had been submitted for approval by Christine Baker. Commissioner Rankin moved that the minutes be adopted, Commissioner Vach seconded the motion, and the motion was carried by unanimous vote of the Commission members present.

Report on Managed Care

Chairman Steinberg called upon Dr. Linda Rudolph, Medical Director of the Division of Workers' Compensation, to give her requested report on the Managed Care Program.

Dr. Rudolph stated that the 1993 workers' compensation reform legislation created the Managed Care Program to certify and monitor workers' compensation Health Care Organizations (HCOs).

The program was established in response to concern regarding the increasing costs of the medical component of workers' compensation and to interest in extending the length of time the employer has control over the injured worker's medical treatment. There were also concerns that there would be an employees' mechanism for insuring high quality of medical care and that programs offered were integrated with respect to health and safety and return to work issues.

A certified HCO would:

- provide all medical services for injured workers
- coordinate the injured worker's return to work
- coordinate medical, return to work, and health and safety, and
- provide data to DWC for an evaluation of the effectiveness of the health care organizations

Dr. Rudolph stated that the legislation is very complex and sets up a number of structural constraints which have been somewhat problematic in the

implementation of the managed care program. One of these is the complicated regulatory structure.

Three kinds of organizations are eligible for HCO certification:

- Disability insurers who are licensed by and in good standing with the Department of Insurance (DOI) can come directly to DWC for certification.

- Licensed Health Care Service Plans or Health Management Organizations (HMO) can go to the Department of Corporations (DOC) and file a material modification and then come to DWC for certification as an HCO.

- A new entity called a Workers' Compensation Health Care Provider Organization (WCHOC) can go through a sort of mini Knox-Keene Health Care Service plan authorization at Department of Corporations and then can go to DWC for certification.

In its review of these organizations, the Department of Corporations focuses on financial solvency issues and basic organizational and administrative capacities.

DWC examines the application for HCO certification to insure that the health care organizations have considered the following kinds of issues in establishing their system for health care delivery in the workers' compensation context:

- Is the network of health care providers applicable for workers' compensation types of injuries or illnesses?

- What is the mechanism for initiating care? Who is making the medical decisions?

- What is the access to medical care? Concern was expressed about what the indemnity implications would be if, for example, the injured worker had to wait two weeks to see an orthopedic specialist.

The legislation requires that the employer provide the employees with two choices of HCO and must offer a third HCO if either of the HCOs is owned or controlled by the workers' compensation carrier. Each employee has the right at the time of employment and thereafter on an annual basis to predesignate in writing that he or she chooses to see their own personal physician or chiropractor in case of industrial injury or illness.

In the Budget Act of 1994-95, this program was made a fee-funded program. The Managed Care Unit is in the process of promulgating regulations that will assess fees

on Health Care Organizations for funding the regulatory structure that exists in the DWC to certify and oversee the HCOs.

To date, there have been eleven applications for HCOs. The Department of Corporations has received 22 applications for workers' compensation HCO, of which two have been authorized and forwarded to DWC. The Managed Care Unit has received applications from two WCHCOs, two applications from Blue Cross HMO, and the rest from disability insurers.

DWC has certified three HCO applications:

- MetraHealth/Conservco (This HCO application was originally submitted by Travelers/Conservco which has how merged with Metropolitan Life Insurance)
- FHP Life Insurance Company
- Greaney Medical Group

Several entities, such as Wellington Life/Community Care Network, Assured Investors Life/National Medical Enterprises, the Eisenhower Medical Group and Blue Cross are still in the certification process. Dr. Rudolph said that she has also had prefiling conferences and discussions with Health Plan of the Redwoods and a number of large statewide preferred provider organizations.

Dr. Rudolph stated that, so far, there are about 8,000 enrollees in the certified HCOs, mostly the employees of FHP Life Insurance. The Managed Care Unit expects that HCO enrollment will be initiated in 17 moderate-sized employers (500 to 100 employees) in the next four to six weeks.

Commissioner Rankin asked if any of the 8,000 employees enrolled in an HCO were covered by a collective bargaining agreement. Dr. Rudolph replied that none of the 8,000 are in a collective bargaining agreement, but she believes that the next large employer to be enrolled does have a collective bargaining agreement.

For the 8,000 employees, several meetings were held to present enrollment materials from both HCOs (FHP and MetraHealth). The enrollment form offers three choices to the employee: enrolling in that HCO, predesignation of the employee's personal physician or chiropractor, or neither with the understanding that the employer can assign the employee to an HCO. Dr. Rudolph reported that, of the 800 enrollment forms that have been returned, one quarter of the employees chose one HCO, 40 or 50 employees chose to predesignate, and the rest, not surprisingly, chose their employer's HCO.

Dr. Rudolph said there were structural barriers to the HCO program in the legislation which established the program:

- Complexity in the regulatory structure. As discussed above, several agencies are involved in HCO certification -- the Department of Corporations, the Department of Insurance, and the Division of Workers' Compensation. Dr. Rudolph said that there seemed to be a general consensus in the regulated community that it would be better to have one regulatory agency, but there was no consensus on which agency it should be.

- The mandate to provide a choice of two HCOs. There are logistical constraints due to the limited number of certified HCOs. Currently, there are no certified HCOs in northern California.

- Among the companies certified to offer two HCOs, there is concern about the antitrust implications of dual marketing procedures.

- The requirement to inform employees in writing of their right to predesignate a physician for workers' compensation injuries or illness. Dr. Rudolph stated that this mandate is viewed with alarm by employers. Employees have had the right all along to predesignate but employers do not want to have to tell them about it when offering HCOs.

- The number of days of control by employers over the injured worker's medical treatment varies. Currently, such control is 90 days, 180 days, or 365 days depending on circumstances. Senate Bill 622, by Senator Steve Peace, is proposing a uniform 180 days of control only for employers offering group health benefits.

Commissioner McLeod asked what was the percentage of public employees in the projected HCO enrollment. Dr. Rudolph replied that she did not know, but that the Eisenhower Medical Group HCO applicant has some school district employees and other county workers in their list of interested parties.

Commissioner Vach asked about the progress of efforts in Oregon to increase the use of managed care in workers' compensation. Dr. Rudolph said that there's no information available from any source, including Oregon, about how well HCOs provide care. She stated that in her view there are three outcomes that should be examined when judging whether managed care in workers' compensation is a success:

- Medical and indemnity costs. If medical costs drop because people wait longer for visits or are discouraged from seeking care, do indemnity costs then rise?

- Medical outcome and satisfaction measures. If injured workers are not satisfied, there could be an increase in the litigation rate.

- Return-to-work outcomes.

Dr. Rudolph said that the best-known study to look at the effect of managed care in workers' compensation is from Florida. This study looked at the cost savings from a managed care pilot program and found that savings of 60 percent would result from the use of managed care. Dr. Rudolph said that her staff looked carefully at this study and found flaws in it that suggest that the savings may not be more than 10 percent. Consequently, she thinks it is very important to collect data on medical costs and outcomes in the HCO program in order to evaluate the actual extent of cost savings.

Chairman Steinberg asked to what extent the DWC is equipped to monitor those issues. Dr. Rudolph replied that a data advisory committee for the HCO program developed a proposed system for collecting that data. That proposed system is going to be part of the larger discussion about the DWC Information System.

Commissioner Vach asked whether the HCO program should be scrapped given the barriers to full implementation and the possibility of minimal savings for employers. Dr. Rudolph said that she's not sure; sometimes she's skeptical and sometimes she's optimistic about the future of the program. Since the program administration is fee-supported, however, she is very concerned about the ability of fees to generate enough money to ensure proper program oversight.

Chairman Steinberg asked if there were any suggestions for any recommendations by the Commission. Dr. Rudolph said that she agreed with the concept of streamlining the regulatory process. Any solution to the program's other problems will require significant discussion and political compromise.

Commissioner Rankin commented that he thought the Legislature was aware of the problems and that there has been some desire to do something about them. However, he believes that labor has been in a situation for the last decade or more of not being able to achieve any benefit increases unless there are reforms to the system which would create savings. He observed that being put in that position makes things difficult because employers and medical groups want reforms in this part of the system without giving any benefit increases. He thinks that it's an unfortunate scheme but ever since the early 1980s anytime labor wanted a benefit increase which is justified by California's relatively low benefits and by cost averting factors, they were told that it would have to be derived from savings and not from premium increases. Commissioner Rankin stated that such was the basic structure and problem in the legislature. However, if that benefit barrier can be broken, he thinks some of the structural barriers discussed here can probably be dealt with.

Report on the Industrial Medical Council

Chairman Steinberg called upon Dr. Susan McKenzie, Executive Medical Director of the Industrial Medical Council (IMC), to give her requested report on status of the implementation of the reform legislation as it affects the IMC. Dr. Michael M. Bronshvag, member of the IMC, was introduced by Dr. McKenzie.

Dr. McKenzie began by responding to a question from Commissioner Steinberg about the status of the conflict of interest regulations regarding qualified medical evaluators (QMEs) that were required by Labor Code Section 139.2(o). She noted that it was the administrative director of the DWC, and not the members of the IMC, who was responsible for adopting such regulations. She did not know their status.

She then described the contents of the IMC's regulations concerning QMEs. They govern disclosure requirements for QMEs evaluating unrepresented workers; provide grounds for good cause for termination of an examination by a physician or an unrepresented worker; require that QMEs not be biased against the worker on the basis of race, sex, religion or sexual preference; require QMEs to render opinions only in their areas of medical expertise; prohibit ex parte contact; require QMEs to review all relevant records; and prohibit QMEs from showing favoritism to represented workers.

Commissioner Vach stated that he had heard that many QME reports were unratable, and asked if Dr. McKenzie or Dr. Bronshvag knew anything about this issue.

Dr. McKenzie replied that she did not know how many or what proportion of reports were unratable. She said that at this point all the QMEs have read the manual for physicians published by the IMC and have passed the mandatory examination administered during the past year by the IMC. QMEs must also fulfill continuing education requirements to be reappointed. She has the impression that the general skill level of QMEs has increased as a result.

Dr. Bronshvag stated that he believed the problems with QME reports to be technical rather than substantive. He said that in many instances the problems were with QME reports for unrepresented workers where there was no attorney to ensure that the QME covered all the issues in his or her report. He said that now there are procedures in place that send inadequate reports back to the QME for correction. Thus, the problem of unratable reports is being addressed in two ways: with education and with a better loop for revising inadequate reports.

Dr. Bronshvag believed that more attention needs to be paid to the permanent and stationary reports issued by treating physicians. Because of the 1993 reform

legislation, much more emphasis is now placed on rating the reports done by treating physicians. Since these physicians are not necessarily QMEs, they may not have the same report-writing skills as QMEs. He said that the IMC hopes to work with other agencies in improving the quality of these reports.

Dr. McKenzie then gave an overview of the Industrial Medical Council. She said that the council's mission is to improve the quality of medical care provided to injured workers.

The IMC has 16 members and a staff of 30. The IMC members consist of nine medical doctors, two osteopaths, two chiropractics, one psychiatrist, one medical economist and one physical therapist.

The IMC's major programs are:

- The QME program, in which physicians go through a three-step credentialing process to become QMEs (that is, meet the statutory qualifications for eligibility, pass the competency exam, and pay a fee). There are about 5,200 QMEs whom the IMC assigns randomly to three-doctor panels to furnish evaluations for unrepresented workers. The IMC assigns from 60,000 to 80,000 panels a year, of which 67 percent are orthopedic, 10 percent are for hand injuries, and the rest are variety of specialties.

- The independent medical evaluator program in which physicians are credentialed to conduct examinations at the request of workers' compensation referees. This program is being phased out since it is only for injuries that occurred before January 1, 1991.

- The review of physician advertising for fraudulent or misleading content.

- The promulgation of disability evaluation protocols. They have already done so in the areas of cardiology, pulmonary medicine and immunologic testing and are still working on protocols for neuromusculoskeletal injuries.

Commissioner Vach asked why the neuromusculoskeletal protocols have not been adopted. Dr. Bronshvag stated that the first draft of the protocol was criticized by many groups because it relied on complex gadgetry that did not reflect the way doctors really practice. The IMC is in the process of rewriting these protocols.

Dr. McKenzie said that the 1993 reform legislation mandated a number of new activities for the IMC, including the development of a qualifying exam for QMEs and of medical treatment protocols. She said that the IMC contracted with Cooperative Personnel Services for the development of the exam. The first exam was administered on June 29, 1994. She said that there is one examination for all

QMEs and a special examination for acupuncturists because they are precluded by the Labor Code from evaluating disability issues. So far the IMC has given five examinations, three general QME exams and two acupuncture exams. Approximately 5,400 QMEs have passed the exam.

Commissioner Vach asked whether people could retake the exam an unlimited number of times. Dr. McKenzie said yes, people can retake the exam if they wish. She thought that only a small number of people have retaken it more than twice. Dr. Bronshvag stated that the IMC wanted as many doctors as are qualified to be serving the injured worker. If a doctor passes this very hard exam, then he or she should be able to treat injured workers.

Commissioner O'Hara asked what the exam's failure rate was. Dr. Bronshvag replied that the initial pass rate was 93 percent, but the rate has fallen on subsequent tests. He believed that test-takers were sorting out into three groups: those who pass, those who failed because they did not think they needed to study and who passed after they studied, and those who are never going to pass the test.

Commissioner O'Hara asked whether the IMC charged a fee for the test. Dr. McKenzie said that so far they have not. Dr. Bronshvag said that one reason not to charge a fee was that it was very difficult to refund money to people who are unable to take the test on the appointed day.

Commissioner O'Hara noted that he shared Commissioner Vach's concern that allowing an unlimited number of free chances to pass the exam may not weed out incompetent physicians. Dr. Bronshvag assured the Commission that only competent physicians pass the exam, but said he would raise these issues with the other members of the IMC.

Dr. McKenzie said that another 1993 mandate was to promulgate a form that may be used by treating physicians who are doing the initial disability evaluations. She anticipated that the Office of Administrative Law would soon approve the regulation containing this form.

She also said the IMC undertook a study to determine the feasibility of requiring objective medical findings for soft tissue injuries that had no objective clinical findings on examination. The IMC contracted with UC-San Diego to identify the currently available methods for objective measurements of soft-tissue injuries. They did an extensive literature review and they also contacted clinical centers around the country to see if protocols existed for making this kind of diagnosis. This study was completed and submitted to the Legislature in December 1994. Dr. Bronshvag noted the difficulty of finding methods of evaluating soft-tissue injuries that everyone agrees upon and said that the IMC is continuing to examine the issue.

Commissioner Steinberg asked if Dr. Bronshvag was familiar with the ERGOS work simulator device that some Commissioners have seen. Dr. Bronshvag said that he was unfamiliar with the device but would be happy to have the IMC learn more about it.

Dr. McKenzie discussed the treatment protocols for common industrial injuries that the Council is developing. Eleven common industrial injuries were chosen for protocols that were initially drafted by the University of California at San Francisco and submitted to the IMC in May 1994. Some practitioners raised a concern that the protocols submitted did not necessarily reflect medical practices that were generally recognized by all the provider groups in the workers' compensation community. As a result, the IMC is convening consensus panels consisting of affected provider groups to achieve some kind of consensus regarding generally recognized practices. She said the first panel was meeting in May.

Executive Officer's Report on Proposed Studies or Projects

Chairman Steinberg called upon Executive Officer Christine Baker to present her status report on the Commission projects.

The Commission Annual Report

Ms. Baker reported that the draft annual report has been sent to the Commission members. Commissioner Vach's recommendations for changes were included in the Commission members' information packet. Ms. Baker requested that the Commission members advise the staff regarding how suggested changes to the draft annual report are to be handled.

Chairman Steinberg concurred with Commissioner Vach's recommendation that the annual report include an executive summary and noted that the Commission staff were working on it.

After some discussion, it was decided that each Commission member would send his or her comments to the other Commission members and to the executive officer by Thursday, June 1, 1995. The revised draft annual report will be reviewed at the next Commission meeting on Thursday, June 8, 1995.

Review for approval a proposal by the DWC Administrative Director to change the standard disability ratings.

Ms. Baker stated that commission staff will continue to monitor the progress of DWC's project to change the Permanent Disability Rating Schedule. The Division of Workers' Compensation has reported some progress in the selection of sample cases to be evaluated.

Consult with the DWC Administrative Director on the adoption of QME Conflict of Interest regulations.

Labor Code Section 139.2(o) requires that the DWC Administrative Director, after consultation with the Industrial Medical Council and the Commission, adopt regulations by July 1, 1994 to provide that a medical evaluator "may not request or accept any compensation or other thing of value from any source that does or could create a conflict with his or her duties as an evaluator under this code."

On March 14, 1995, Chairman Steinberg sent a letter to the administrative director inquiring as to the status of the QME conflict of interest regulations issue. The Commission is awaiting a written response from the Division of Workers' Compensation. Ms. Baker reported that the Administrative Director advised her by phone that he does not plan to do any more in this area.

Chairman Steinberg asked Dr. Bronshvag if the IMC were working on such regulations. Dr. Bronshvag responded that he was not aware of any activity, but that the Industrial Medical Council would find out and send a letter.

The Commission's Grant Program

Ms. Baker stated that all nine of the newly issued grant contracts have been signed. Eight of the grantees have already received their first payment of half the amount awarded. The ninth grant recipient has not yet received payment as the Commission did not receive a signed contract until April 26, 1995. Payment will be issued in approximately one week.

The first Quarterly Financial Reports were due on March 31, 1995 and the Commission has received the first quarter financial reports from three grant recipients and expects the remainder very soon. The Commission staff have been in close contact with all grant recipients and all projects have been reported to be running smoothly.

The reproduction of grant products from the 1991, 1992 and 1993 grant projects, including written materials and videos, has been completed. These products are currently being mailed to all persons who have requested them.

Of the previously reported backlog of 551 requests, 250 requesters have already received products and are in the process of returning them. Approximately 300 requests remain to be filled. Considering the turn around time to send out available products, Commission staff expects the backlog to be completely eliminated in approximately 3 to 4 weeks.

The monitor and VCR have been purchased. As new video grant products are received, they will be reviewed and reproduced by Commission staff.

The Commission staff have been receiving many telephone calls as a result of an article that appeared in the May 1, 1995 issue of the Cal-OSHA Reporter, advising readers that they may contact the Commission for a copy of the Product Availability Catalog of completed projects.

Information Services to Injured Workers Study

Ms. Baker reported that on April 4, 1995, she met with UC Berkeley's Labor Occupational Health Program (LOHP) to discuss logistics, data collection, and injured worker selection for the study and to finalize the agenda for the first Advisory Committee meeting.

The importance of having a meeting with DWC Information and Assistance Officers from southern California was also discussed. This additional meeting could increase the cost of the project by approximately $350.

Commission and LOHP staff held the first Advisory Committee meeting on April 19, 1995 and presented the following goals of the study to the Advisory group:

A. Assess the efficacy of information services designed to help the injured worker get through the workers' compensation system.

B. Analyze strengths and areas needing improvement in current information services.

C. Recommend ways to improve information services.

D. Systematically collect information from workers about their experiences with all aspects of the workers' compensation system.

The Commission staff have finalized the contract with the University of California and, as requested, UC has waived the overhead administrative charges. The total cost of the study, as reflected in the contract, is $133,000.

The contract with LOHP did not include the cost of contacting and soliciting those injured workers who would actually participate in the study. LOHP expects the Commission to provide them with such a listing of participating injured workers, or additional funds for student assistants to contact injured workers and develop such a listing.

Ms. Baker recommended that the LOHP contract be amended by approximately $6,000 to include sufficient funds for assistance in identifying study participants and to conduct a southern California Information and Assistance discussion group. Commissioner O'Hara so moved, Commissioner Rankin seconded, and the motion was passed unanimously by the Commission members present.

The Vocational Rehabilitation project

Ms. Baker stated that the Commission is in the process of contracting with the University of California for this project.

As requested, UC has waived the overhead administrative charges. The total cost of the vocational rehabilitation study, as will be reflected in the contract, is $89,100 for the first year and $105,600 for the second year.

Impact of the elimination of the Minimum Rate Law on Loss Control Services

Ms. Baker related that a draft proposal to study this area had been faxed to the Commission members.

The School of Health and Social Work at the California State University at Fresno is proposing a project to assess the quality and quantity of loss control services provided to employers by insurers. The project will also produce a Loss Control Services model and evaluation tool that may be utilized by the workers' compensation community.

Loss control services are intended to prevent, reduce or eliminate the potential for workers' compensation losses. Loss control management consists of the identification of an employer's risk exposure, measurement and analysis of exposures, the selection of appropriate loss control action and the implementation of loss control measures. Loss control services typically offered by insurers include

safety surveys of an employer's operations, training programs, consultations, accident analysis and industrial hygiene services.

In recent years, the belief has grown that loss control services aimed at reducing workplace injuries and illnesses should be an important component of an overall effort to lower workers' compensation costs. In the public policy arena, this belief has found expression in the passage of laws or regulations by about half the states to require insurers to provide loss control services. In California, Assembly Bill 110 (Peace), enacted as part of the workers' compensation reform legislation of 1993, set up a statutory requirement for insurers to provide certain loss control services and established a program within the Division of Occupational Safety and Health to certify the loss control programs of insurers.

There is growing evidence that employers can reduce their workers' compensation costs through the use of safety measures. For example, a recent study by researchers at the Upjohn Institute in Michigan found that a ten percent increase in an employer's safety diligence score was associated with a 13 percent lower incidence of lost workday cases and a 17 percent lower level of lost workdays per 100 employees.

However, little systematic study has been done to examine the effectiveness of loss control measures offered by insurers. Dr. Waite's proposed study will provide a better understanding of the range of services offered by insurers in California and of the effectiveness of these programs in the eyes of employers. From it, the Commission can increase its knowledge of the role insurers can play in preventing workplace injuries.

In the past Commissioners have expressed concern about the potential effect of repeal of the minimum rate law on loss control services. It is feared that more vigorous competition among insurers will force insurers to slash expenses in order to maintain profitability, which could lead some insurers to reduce loss control service levels. This study will also provide information on whether employers perceive that services have declined in 1995, after the implementation of open rating.

Although there may be some correlation between the elimination of the Minimum Rate Law and changes to Loss Control Services, this study will not be able to determine if there is a specific cause and effect relationship.

Ms. Baker informed the Commission members that approval of this project for the second year requires that monies allocated for grants be shifted to the allocation for contracts and studies. Ms. Baker recommended that the monies allocated to grants in fiscal year 1995-96 be reallocated to special studies with any remaining monies directed to Commission operations.

Commissioner Rankin moved that the proposed Loss Control study be approved. Commissioner O'Hara seconded and the motion was passed unanimously by the Commission members present.

Commissioner Rankin moved that the monies allocated for grants in fiscal year 1995-96 be transferred as Ms. Baker recommended. Commissioner O'Hara seconded and the motion was passed unanimously by the Commission members present.

The Medical-Legal Study

Christine Baker informed the Commission that she met with Dave Bellusci of the Workers' Compensation Insurance Rating Bureau (WCIRB) and Frank Neuhauser of UC Berkeley on March 30, 1995 to discuss establishing the Memo of Understanding for the Medical-Legal Study.

As mentioned during the February 1995 Commission meeting, any changes to the WCIRB survey document needed to have been submitted by March 1995 at the latest. Ms. Baker explained that the following proposed changes could not be made to this year's survey document, but that they could possibly be included next year:

- Distinguishing between Treating Physicians and QME panels,
- The reason for the evaluation, and
- Geographical information.

Commission staff are in the process of contracting with the University of California for this project. As requested, UC has waived the overhead administrative charges. The total cost of the medical-legal study, as will be reflected in the contract, is $11,000 for this year.

Delays in the timely provision of permanent disability ratings to injured workers

At the January 1995 meeting, DWC Administrative Director Casey L. Young reported on the status of the summary ratings backlog and DWC's actions to remedy the situation, and suggested that the Commission take another look at the summary rating backlog problem in June or July 1995.

Christine Baker recommended that the Commission ask the administrative director to address this topic at the June meeting in Los Angeles.

Ms. Baker referred to a letter from Revell Communications, included in the Commissioners' briefing packet, requesting that their client, Work Recovery, Inc., be allowed to make a presentation and demonstration at a Commission meeting.

Work Recovery Inc. markets a product -- the ERGOS Work Simulator -- which is designed to aid in the assessment of an individual's performance on specific physical tasks and is used to determine physical deficiencies subsequent to an injury. This presentation has been scheduled for the June meeting.

The administrative director's Task Force on Complexity Reduction

Christine Baker reported that she has attended the first committee meetings of the DWC administrative director's Task Force on Complexity Reduction.

The agendas, summary reports and listings of meeting attendees for the Dispute Resolution Committee meeting and the Claims Administration Committee meeting were distributed to the Commission members.

Information System for Workers' Compensation

Christine Baker said that DWC Administrative Director Casey L. Young had apprised the Commission on the progress of the development of an Information System for workers' compensation during the February 1995 Commission meeting.

Commission staff will monitor the progress of this project. The DWC Administrative Director plans to hold a final meeting on or around June 9, 1995 to discuss his intentions. A report from the administrative director is due to the Legislature on July 1, 1995.

Commissioner Vach stated that he is uncomfortable with this area and believes that the data derived from such an information system should reside outside of the Division of Workers' Compensation. He requested that the DWC Administrative Director be asked to address this issue at the June 8, 1995 Commission meeting in Los Angeles.

Workers' Compensation Programs in Other States

An outline of possible topics and estimated costs for the Commission's proposed Symposium in California was included in the briefing packet distributed to the Commission members.

Ms. Baker recommended, if the Commission chooses to go ahead with a Symposium, that it be scheduled for sometime in the Spring of 1996. The Commission's current projects will require much staff time and involvement this year.

Chairman Steinberg recommended that the Commission hold a Symposium in the spring of 1996, rather than having Commission members travel to other states.

Commissioner Rankin made a motion to hold a Symposium in California in the spring of 1996 as outlined in Ms. Baker's report. The motion was seconded by Commissioner O'Hara, and passed unanimously by the Commission members present.

Commissioner Vach noted that the upcoming "National Symposium on Workers' Compensation", scheduled for July 16-19, 1995 in New Jersey and sponsored by the Center for Management and Development at Rutgers University, could be used as a model. Chairman Steinberg suggested that the executive officer and one or two interested Commission members attend the National Symposium and make a report.

Contract Adjustments

Christine Baker stated that her experience with the Commission's contracted projects has brought up an issue that she wanted to bring to the Commission's attention. Occasionally, as happened in the Injured Worker project, the project manager may identify additional costs that were not originally anticipated.

In order not to impede the progress of the projects, Ms. Baker requested that there be some discretionary authority to approve a cost overrun of not more than 10% of the total cost of the project with the concurrence of the Commission Chairman.

After some discussion, Commissioner Rankin moved that the Commission Chairman, with the recommendation of staff, be authorized to approve changes up to 7.5% of the total amount of the project contract and report such authorized changes at the next Commission meeting. Commissioner McLeod seconded the motion and it passed unanimously by the Commission members present.

Public Comments

Chairman Steinberg asked if there were any public comments. There was no reply.

Future Meetings

The next meeting of the Commission will be held at 10 am on Thursday, June 8, 1995, in room 1138 on the first floor of the Los Angeles State Building located at 107 South Broadway.

Adjournment

A motion to adjourn the meeting was made by Commissioner O'Hara, seconded by Commissioner Vach and passed unanimously. The meeting was adjourned at 12:17 p.m. by Chairman Robert B. Steinberg.

Attachment: Meeting Agenda

Approved:

6/8/95

Robert B. Steinberg, Chairman Date

Respectfully submitted,

Christine Baker

Christine Baker, Executive Officer